

1 IN THE UNITED STATES DISTRICT COURT

2 DISTRICT OF MINNESOTA

3 COURT FILE NO.: 03-3295

4 PEGGY MARIE SCHMITT,)

5 Plaintiff,)

6 vs.)

7 CHASE MANHATTAN BANK, NA, et al)

8 Defendants.)

COPY

9 The deposition of WILLIAM STOCKDALE, called
10 by the Defendant for examination, taken pursuant
11 to notice, agreement and by the provisions of the
12 Rules of Civil Procedure for the United States
13 District Courts pertaining to the taking of
14 depositions, taken before SANDRA DRECHSLER, CSR
15 No. 84-1676, a Notary Public within and for the
16 County of Cook, State of Illinois, and a
17 Certified Shorthand Reporter of said State, at
18 Chicago O'Hare Hilton, Superior Room, Chicago,
19 Illinois, on the 23rd of March, 2005, at 12:37
20 p.m.

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<p style="text-align: right;">26</p> <p>1 isn't it, that not all the information that is 2 supplied to Trans Union in monthly metro tape 3 reports is placed in Trans Union's file on that 4 consumer? 5 MR. CENTO: Objection. Vague and ambiguous. 6 THE WITNESS: Correct. 7 BY MR. GOOLSBY: 8 Q So then it would also be true that not 9 all of the information supplied to Trans Union in 10 the monthly metro tape reports shows up on a 11 consumer disclosure, right? 12 MR. CENTO: Same objection. 13 THE WITNESS: The data that was rejected 14 because example such as if a record came in as a 15 commercial account that caused rejection or if it 16 was a record that was outside the FRCA rules 17 meaning that there was derogatory information on 18 that record and we can't put it on our file 19 because it's older than seven years, those would 20 not be disclosed because we did not place it on 21 the credit report. 22 BY MR. GOOLSBY: 23 Q A consumer disclosure shows the 24 consumer what's in his or her file at Trans</p>	<p style="text-align: right;">28</p> <p>1 A That I'm aware of, yes. 2 Q Can you take a look, please, again at 3 the November 2003 name scan? 4 A Page number? 5 Q TU 268. And again at trade line 11, 6 specifically where it says VI equals M. Do you 7 see where I am? 8 A Yes. 9 Q Miss Romanowski testified this morning 10 that that stands for manually frozen. Do you 11 agree with that? 12 A Yes. 13 Q But she didn't know exactly -- she 14 wasn't able to answer all my questions about that 15 field. Do you know what it means when an 16 account -- when a trade line has an M in the VI 17 field for manually frozen? 18 A Manually frozen is an indicator that's 19 used by our consumer relations department. It's 20 to -- it's used to protect the field from being 21 updated by any additional information, so the 22 credit granter has confirmed a change to that 23 field and we don't want any account receivable 24 information that's coming through their automated</p>
<p style="text-align: right;">27</p> <p>1 Union, right? 2 A Yes. 3 Q Okay. And I think I asked you this 4 yesterday, too, and I apologize because I don't 5 remember the answer. But is it true that 6 furnishers sometimes provide more information 7 than Trans Union will put in its file on a 8 consumer? And I'm distinguishing it from 9 information that's rejected because it's not 10 consumer information, it's commercial, it's on a 11 commercial account, or it's rejected because it's 12 outside of the FRCA; I'm just talking about 13 superfluous extra information that's more than 14 Trans Union reports. 15 MR. CENTO: Same objection. 16 THE WITNESS: There's information that is 17 reported by the furnisher that can be used for 18 matching criteria but would not be placed on a 19 credit report. 20 BY MR. GOOLSBY: 21 Q Is that the only kind of information 22 that would not be placed on a credit report that 23 we haven't already talked about that you're aware 24 of?</p>	<p style="text-align: right;">29</p> <p>1 tape that may be in process, because we are in a 2 batch process at that time, so consumer relation 3 is -- they are in a real time application, so 4 they are working with the consumer and the credit 5 granter to make a change to that trade, and if 6 that change is made we want to make sure that 7 there's not a process going on in the batch world 8 because we're not in an on-line application 9 there; we're actually in the midst of processing 10 information, either at the furnisher level or at 11 Trans Union level. We don't want it to go and 12 overlay any changes that were made to the field, 13 so that's what a freeze means. 14 Q Okay. So if there's a manual freeze 15 like we see here, does that mean that as long as 16 that freeze is on the account that account 17 subsequent metro tape reporting isn't going to 18 change the account? 19 A That would be a question that I would 20 ask somebody from consumer relations. I'm not 21 sure if there's some fields that still may be 22 allowed to be updated, but I know critical fields 23 that we cannot have overlaid is why the freeze is 24 there, but I'm not sure if there are fields that</p>

<p style="text-align: right;">34</p> <p>1 that the deposition, but...</p> <p>2 MR. GOOLSBY: I would say that that is E</p> <p>3 procedures, because --</p> <p>4 MR. CENTO: You asked about disputes, right?</p> <p>5 MR. GOOLSBY: I asked not how they handled</p> <p>6 the disputes, but if they keep a tally of them,</p> <p>7 the purposes being to know if that furnisher is</p> <p>8 available.</p> <p>9 MR. CENTO: I will let him answer that one</p> <p>10 question, if he knows the answer. That's more of</p> <p>11 a consumer relations.</p> <p>12 BY MR. GOOLSBY:</p> <p>13 Q Again, the question is, do you keep a</p> <p>14 tally by furnisher of how many disputes Trans</p> <p>15 Union receives from consumers?</p> <p>16 A I know they keep a tally of disputes.</p> <p>17 I don't know how that tally is broken out or</p> <p>18 counted, but I do know that they keep track of</p> <p>19 disputes. That's outside of my area of</p> <p>20 responsibility. You'd have to check with</p> <p>21 consumer relations.</p> <p>22 Q Do you know when Trans Union started</p> <p>23 keeping such a tally?</p> <p>24 A Again, that's outside of my area. I</p>	<p style="text-align: right;">36</p> <p>1 A No, I don't.</p> <p>2 Q How about for Herbergers?</p> <p>3 A I don't.</p> <p>4 Q Have you ever had to have a partnering</p> <p>5 session with First USA or Bank One to facilitate</p> <p>6 their proper reporting?</p> <p>7 A We have conducted audits with Bank</p> <p>8 One, but they are just normal course of business.</p> <p>9 It's not because anything was wrong or there were</p> <p>10 any errors with their data; it was just the</p> <p>11 normal course of business. It's just a good</p> <p>12 thing to do with a customer that large.</p> <p>13 Q Okay. And I understand that there's</p> <p>14 audits, and have a few questions for you about</p> <p>15 that in a moment, but I want to talk about what I</p> <p>16 understand is Trans Union's procedure -- well,</p> <p>17 you talked yesterday about FDR, which applies to</p> <p>18 this case as well, and you mentioned three</p> <p>19 specific instances where you had to partner with</p> <p>20 FDR when they weren't doing something right. Do</p> <p>21 you remember that?</p> <p>22 MR. CENTO: I'm going to object again. This</p> <p>23 is beyond the scope of what he's here to testify</p> <p>24 about. None of this fits into any of the</p>
<p style="text-align: right;">35</p> <p>1 do not know.</p> <p>2 Q So I take it then you don't know for</p> <p>3 any given period of time how many disputes Trans</p> <p>4 Union received from consumers with respect to</p> <p>5 First USA or Bank One accounts?</p> <p>6 A No, I don't.</p> <p>7 Q Trans Union monitors trends in</p> <p>8 furnisher's reporting, correct?</p> <p>9 A Yes.</p> <p>10 Q So in other words, if there is a</p> <p>11 sudden jump in the number of accounts that a</p> <p>12 furnisher is reporting as, say deceased, that</p> <p>13 would raise a flag for Trans Union, right?</p> <p>14 A Yes.</p> <p>15 Q When did Trans Union start doing that?</p> <p>16 A It's been a long time. I want to say</p> <p>17 approximately around 1991 or 1992 that program</p> <p>18 was put in place.</p> <p>19 Q So since you have been with Trans</p> <p>20 Union, but before you were -- before you took</p> <p>21 your current position?</p> <p>22 A Yes.</p> <p>23 Q Do you know if there has ever been a</p> <p>24 red flag for First USA or Bank One?</p>	<p style="text-align: right;">37</p> <p>1 categories. You have not -- he's not been</p> <p>2 ordered to come here and testify about any</p> <p>3 particular furnisher or their accuracy or</p> <p>4 anything like that, and none of that is I think</p> <p>5 could be included in either one of these really</p> <p>6 two categories that are open, so I'm going to</p> <p>7 instruct him not to answer.</p> <p>8 It's not what you asked the court to</p> <p>9 order and that's not what they ordered. So he's</p> <p>10 not prepared to talk about any particular</p> <p>11 furnisher, including FDR or Chase or any of them.</p> <p>12 MR. GOOLSBY: Can we go off the record for a</p> <p>13 moment, please?</p> <p>14 (Discussion off the record.)</p> <p>15 BY MR. GOOLSBY:</p> <p>16 Q You mentioned audits that Trans Union</p> <p>17 does. When does Trans Union do those?</p> <p>18 A Our goal is to audit customers on an</p> <p>19 annual basis.</p> <p>20 Q And does that actually happen?</p> <p>21 A No. They are very intense. They may</p> <p>22 be once every 24 months because it's, you have to</p> <p>23 get schedules together and it takes about three</p> <p>24 months to actually gather and do the audit</p>